

EVENT

Current Trends at Gartner's Sourcing Conference 2014

September 17, 2014

“Successful Sourcing in the Digital Economy – New Rules, New Value” was the theme of this year's Gartner Sourcing & Strategic Vendor Relationships Summit held September 10-12, 2014 in Orlando, Florida.

The focus was on adapting a company's sourcing strategy to reduce cost, increase agility and deliver innovation. A strong message was the preparation to adapting a company's sourcing strategy to embrace the opportunities presented by private/public/hybrid cloud, mobility, big data, and social innovations, as well as to identifying and selecting new kinds of providers and adopting new pricing models.

Some interesting statistics were provided:

- 70% of senior business and IT leaders will change their technology and sourcing relationships in the next 2-3 years for a variety of reasons:
 - 57% - price/price structure
 - 55% - service quality
 - 52% - flexibility
 - 46% - ability to partner
 - 45% - innovation
 - 28% - scale

“We depend on Gartner to help fine tune our message as we continually perfect our overall service capabilities, in staying aligned with what our client's expect. Our overall goal is to be a trusted partner to each of our clients, no matter the size of the client or the engagement. Tailoring a custom fit solution to meet each client's specific needs is of utmost importance,” said Rosary De Filippis, Executive Director, Business Development and Chief Marketing Officer. ***“Attending this conference validates our mission to provide best in class, cost efficient IT managed services, and stay abreast of the most recent trends.”***

Additionally, the Gartner IT Key Metrics Data, 2014 IT Outsourcing Summary Report was distributed, containing database averages representing a subset of the published metrics and custom analysis capability available through Gartner Consulting Benchmark Analytics.

Within this report, IT outsourcing was defined as any situation where the full operational responsibility for a particular set of IT services is completely handed over to an external service provider. This includes third party services for maintenance, as well as voice and data transmission services.

The average IT Outsource spending as a percent of IT spending was 24%. This varied significantly by industry:

- Telecommunications industry being at the top at 31%
- Industrial Manufacturing at 27%,
- Insurance at 25%,
- Retail and Wholesale at 24%,
- State and Local Government at 17%,
- Education at 14%

Organizations were also asked what percentage of each function within IT is outsourced. The average responses included:

- IT Service Desk – 52%
- Data Center – Mainframe Services – 46%
- E-mail/Messaging – 45%
- Application Development – 41%
- Data Center – Application Servers – 40%
- Application Support – 37%

“It is clear the trend to outsource continues to grow, with clients utilizing private cloud solutions for the mainframe, mid-range and open systems platform management requirements...and we are pleased we continue to grow as a noted and trusted partner to our clients,” De Filippis said.

Additional information related to this conference and associated research report is available. Please contact us for a confidential evaluation of how we can significantly improve IT infrastructure managed services and cost structure by exploring customized affordable solutions.

About Gartner

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Blue Hill Data Services helps customers **reduce their operating costs** and **minimize risk** by providing fully managed data center hosting solutions, and a full array of complementary IT support services. Our



highly skilled and experienced staff, world-class **on-shore facilities**, and reliable 24x7 services have supported customers worldwide and from all industries since 1994. We specialize in **mainframe, open systems, and AS/400 iSeries managed hosting services; Applications Services**; Colocation services; **Dedicated Disaster Recovery** and **Business Continuity** Solutions. Our deep technical skills and long standing experience enable us to support our customers' **legacy environments** as well as **implement new technology solutions**. Our differentiation is providing customized solutions, **flexibility with contracts and SLAs**, and personalized attention and services. We are proud our customer retention is 100%.

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